



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Betsy Shotwell

**SUBJECT: SB 3 (LENO) MINIMUM WAGE
ADJUSTMENT**

DATE: February 23, 2015

Approved

Date

2/27/15

RECOMMENDATION

Accept the staff background and analysis regarding SB 3 (Leno) Minimum Wage: Adjustment.

BACKGROUND

At the February 18, 2015 Rules and Open Government committee meeting the Committee requested that staff bring forward to the City Council an analysis of SB 3. The measure is currently awaiting a hearing date in the Senate Labor and Industrial Relations Committee.

ANALYSIS

Senator Mark Leno has introduced legislation which would raise the state's minimum wage to \$11 per hour on January 1, 2016; to \$13 on July 1, 2017; and beginning on January 1, 2019 and every January 1 thereafter, the minimum wage would be adjusted by the California CPI to keep pace with inflation. This bill, if passed and signed into law, would apply to all industries, including public and private employment.

The following table details the status of the minimum wage at the Federal and State levels and in the City of San Jose:

FEDERAL	\$7.25 an hour
STATE	July 1, 2014, \$9.00 per hour January 1, 2016, \$10.00 per hour
SAN JOSE	January 1, 2015, \$10.30 per hour. Each January, San Jose's minimum wage is increased by the prior year's US DOL/Bureau of Labor Statistics CPI.

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SB 3 has been assigned to the Senate Labor and Industrial Relations Committee with no date set yet for hearing. This issue is not a part of the current City Council adopted 2015 Legislative Guiding Principles and Priorities.

COORDINATION

This memorandum was coordinated with the Public Works Department, City Attorney's Office, and the City's Legislative Advocate in Sacramento.

/s/
BETSY SHOTWELL
Director, Intergovernmental Relations

For more information contact: Betsy Shotwell, Director of Intergovernmental Relations at (408) 535-8270, or Nina Grayson, Division Manager, Public Works, at (408) 535-8455

Attachment:
Memorandum from Mayor Liccardo, Vice Mayor Herrera and Councilmembers Carrasco and Peralez dated February 12, 2015





Memorandum

**TO: RULES & OPEN GOVERNMENT
COMMITTEE**

FROM: Mayor Sam Liccardo
Vice-Mayor Rose Herrera
Councilmember Raul Perez
Councilmember Magdalena
Carrasco

**SUBJECT: SUPPORT FOR SB 3 (LENO) –
MINIMUM WAGE FAIRNESS
ACT**

DATE: February 12, 2015

APPROVE 

RECOMMENDATION:

Add this item to the agenda for the February 24, 2015 City Council meeting.

Add to our list of Key Legislative Items for 2015 - support for SB 3 (Leno), the Minimum Wage Fairness Act.

BACKGROUND

According to the Congressional Research Service, the purchasing power of the federal minimum wage has decreased steadily since 1968 when it was equal to \$10.77/hr. in today's dollars. Under current law, California will not reach a minimum wage of \$10/hr. until 2016. The problem of a stagnant minimum wage is magnified in California. Using U.S. Census data, when factoring in the cost of housing, the rate of poverty soars in California, and in particular places like Silicon Valley. As we well know, the cost of living in San Jose is one of the highest in the nation and the gap between rich and poor continues to widen.

While California has consistently been at the forefront of minimum wage legislation, it is imperative that we take steps now to increase the rate at which future raises will occur. SB 3 proposes a reasonable step-increase approach by raising the minimum wage in California to \$11/hr. in January of 2016, \$13/hr. in July of 2017, and beginning in January of 2019, an annual raise based on the rate of inflation.

We all agree that no San Josean or Californian who works full-time should have to live in poverty. SB 3 will help improve the living conditions for millions of Californians. Mayors from seven (7) of the ten (10) largest cities in California (Los Angeles, San Jose, San Francisco, Oakland, Long Beach, Santa Ana, and Sacramento) have already expressed support for SB 3. Yet if we share concerns about a San Jose with a widening income gap, then our hard-working families need our engagement — not just a Mayor's involvement, but the entire council.